



**Date:** April 5, 2024  
**To:** The Urbana Free Library Board  
**From:** Celeste Choate, Executive Director  
**Re:** FY25 Budget Memo

Last spring, in support of the Strategic Plan and in response to the ever-evolving needs of our community, the Library reorganized itself in order to provide better patron service, create efficiencies, and provide a better work experience for staff by utilizing their strengths in new ways. We are still changing and growing, and, like last year, you will see an updated budget for your approval in May. One example is that wages for two librarians were shifted from being in the Patron Services budget lines to the Acquisitions/Collections Budget lines because their work shifted primarily to Collections this year.

The budget here is a baseline budget which includes a 3.25% increase to base wages and step increases for eligible staff. In addition, many non-staffing lines also received 2.75% increases. We are anticipating hearing back about multiple grants. The May budget will reflect grants received or still pending.

To position the Library for future success, IT and Facilities budget lines continue to require increased funding for current projects. Additionally, we need to add to the Special Reserve Fund balance for future projects, such as replacing the Library’s roof. IT and Facilities Capital Improvement projects looking into the future are included at the end of the budget memo.

This year, staff are working with the City of Urbana to implement a new requisition, purchase order, and encumbrance process for ongoing projects, and we are following the City’s lead in this manner. Once implemented, this process will allow specific ongoing projects to roll into the next fiscal year automatically. While this approach will show increased expenses in the budget, it more intuitively accounts for funds that were previously encumbered on multi-year projects. The City uses and recommends this kind of language:

*The Executive Director acting as the Budget Director is hereby authorized to amend the Fiscal Year 2024-2025 Annual Budget to increase expenditures by the amount of encumbrances outstanding as of June 30, 2024.*

**Serving Our Public 4.0: Standards for Illinois Public Libraries**

TUFL continues to meet the *State Standards*, which have two specific recommendations about budgets:

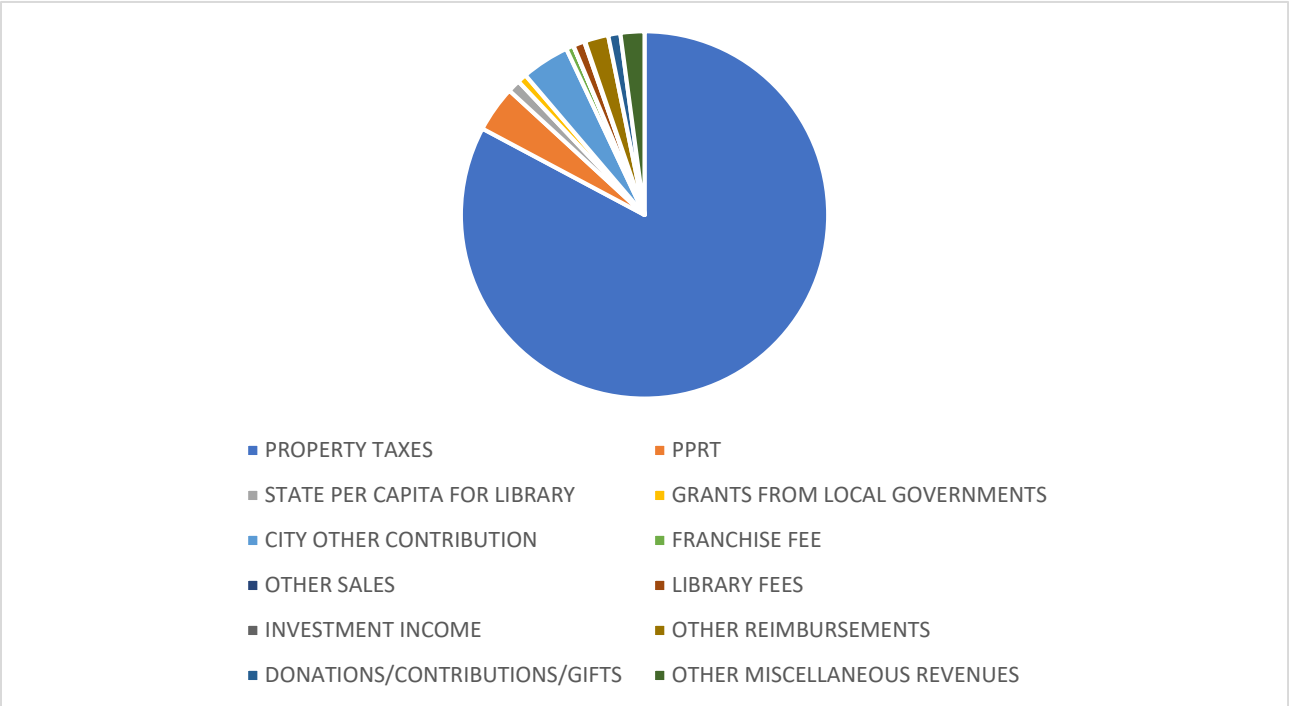
1. *Salaries account for up to 60% and salaries plus fringe benefits (FICA, pension, and health insurance) account for up to 70% of the total budget.* Staff wages account for 57% of the overall 802 General Fund and those fringe benefits account for 15%, totaling 72% (including rounding). All staff will receive a cost-of-living increase of 3.25% to the base level of the pay grade, and qualified staff will also receive a step increase.
2. *Eight to 12% of the operating budget are spent on materials for patrons.* Here are two ways TUFL meets this standard.

	FY25 802 Expenses
Total (operating + some gifts but no capital) budget	\$5,060,775.21
Total on materials including supplies, automation, and staffing costs	\$ 983,946.11

% of budget spent including "extra" costs	19%
Total on materials only	\$ 431,080.00
% of operating budget spent materials only	9%

**Highlights**

- Property taxes continue to be the primary source of revenue at 83%.
- The Library requested and received a 4% increase from our Champaign County partners, Champaign County and the Champaign County Circuit Clerk. Since their fiscal years are the calendar year and the Library’s fiscal year is July 1 – June 30, only one of the two payments from our partners will be at the higher amount in FY25.



- There were a number of projects this year that will continue into FY25, such as the replacement of the east air handler unit, renovations to the Welcome Desk/AV area, and Megan’s Room. The soon-to-be implemented requisition, purchase order, and encumbrance process will “roll” approved funds into FY25 after FY24 is “closed out.” While we are still learning about the specifics of the process from the City, the process will give us more time to determine the right size of the projects based on what the Board would like to see in fund balances and what is functional and attractive for patrons and staff. More information will be shared at the May Board meeting.

**External factors reflected in FY25 budget draft:**

[The City of Urbana’s Financial Forecast: FY2025-2029](#), released in December 2023, reads in part as follows on page 4:

## SUMMARY OF LIKELY PATH

The City concluded FY2023 with a fund balance higher than initially estimated, primarily attributed to a combination of revenues surpassing initial projections and staffing vacancies. This level of fund balance provides the City with some flexibility. However, it is somewhat likely that recurring expenditures will exceed the policy goal of 98.5% of by the end of the five year period, as expenditures grow faster than revenues. While the Federal Reserve takes cautious measures in mitigating inflationary pressures, concerns regarding the likelihood of a recession are diminishing. Staff believes that economic outlook leads toward a “soft landing” with long-term inflation rate moderating to below 3% by 2024.

## RECOMMENDED STRATEGY

The City headed into FY2024 with a healthy fund balance and recurring expenditures well within the policy limit, which puts the City’s General Fund in a better shape financially than at any time in recent years. This provides us with the opportunity to thoughtfully consider additional programs and services that require recurring funding. While the forecast shows the “buffer” between recurring revenues and expenditures decreasing over time, this is not an immediate concern since the forecast is less accurate further into the future.

The first phase of [the BerryDunn public safety review](#) was released last month and is now being discussed. It is likely to impact how the City might allocate funds, both special one-time projects and ongoing allocations.

### **Paid Leave for All Workers Act (PLAW):**

The State of Illinois passed the new Paid Leave for All Workers Act, an unfunded mandate, which went into effect January 1, 2024. Staff are still awaiting final administrative rules regarding PLAW implementation. PLAW was funded by shifting some pre-existing leave options (vacation/sick/personal leaves) to PLAW leave. Staff anticipate that departments will get closer to spending their entire wage budgets, so less “unspent” wage line money will shift to the Fund Balance at the end of the fiscal year to increase the Fund Balance. Staff will watch for this trend and report back to the Board.

### **Revenue Decreases:**

The revenue from Friends of The Urbana Free Library’s book sales continues to decrease while expenses increase due to both the increased cost of books and an increase in reading program participation. To account for this, staff have already decreased the number of prize books that participants can receive, and also anticipate spending into the adult and children’s gifts fund balances in the 810s to keep up with demand.

The \$9,400 that used to be passed through USD#116 from UIUC for services offered to international students who do not pay property taxes to USD#116 and TUFL has continued to shrink. It was halved to \$4,700 in FY23, decreased another 20% in FY24 to \$3,760, and will continue to decrease by 12.5% for FY25, FY26, and FY27. If enrollment changes by more than 20% in either direction, the agreement will be reopened for negotiation. This would make the contribution to TUFL in FY25, FY26, and FY27 \$3,290 annually.

As reported to the Library Board, The Urbana Free Library Foundation is purposefully working to increase its fund balance as the Library considers next steps regarding expansion and/or renovation. We anticipate that beginning in FY26, staff will request smaller grants from the Foundation to support these efforts.

- The FY24 grant included some non-recurring expenses, such as \$6,000 in professional development opportunities for staff that were traded out this year for some other one-time expenses, including \$6,000 for new porch furniture.
- For a period of years, the Archives' budget was increased \$10,000 per year with a gift from the Foundation to support extra processing of materials from larger collections such as Chanute and the *News-Gazette*. Staff are pleased to report that by reconceptualizing the Archives Director position as a Manager position, Archives staffing (at the same staffing level) is now covered fully by the Library's general budget without requesting Foundation funds, a \$10,000 savings per year that the Foundation can set aside for other, larger projects, knowing the Archives is still staffed at the same level.

**Potential Revenue Increases:**

TUFL has applied for or intends to apply for the following grants:

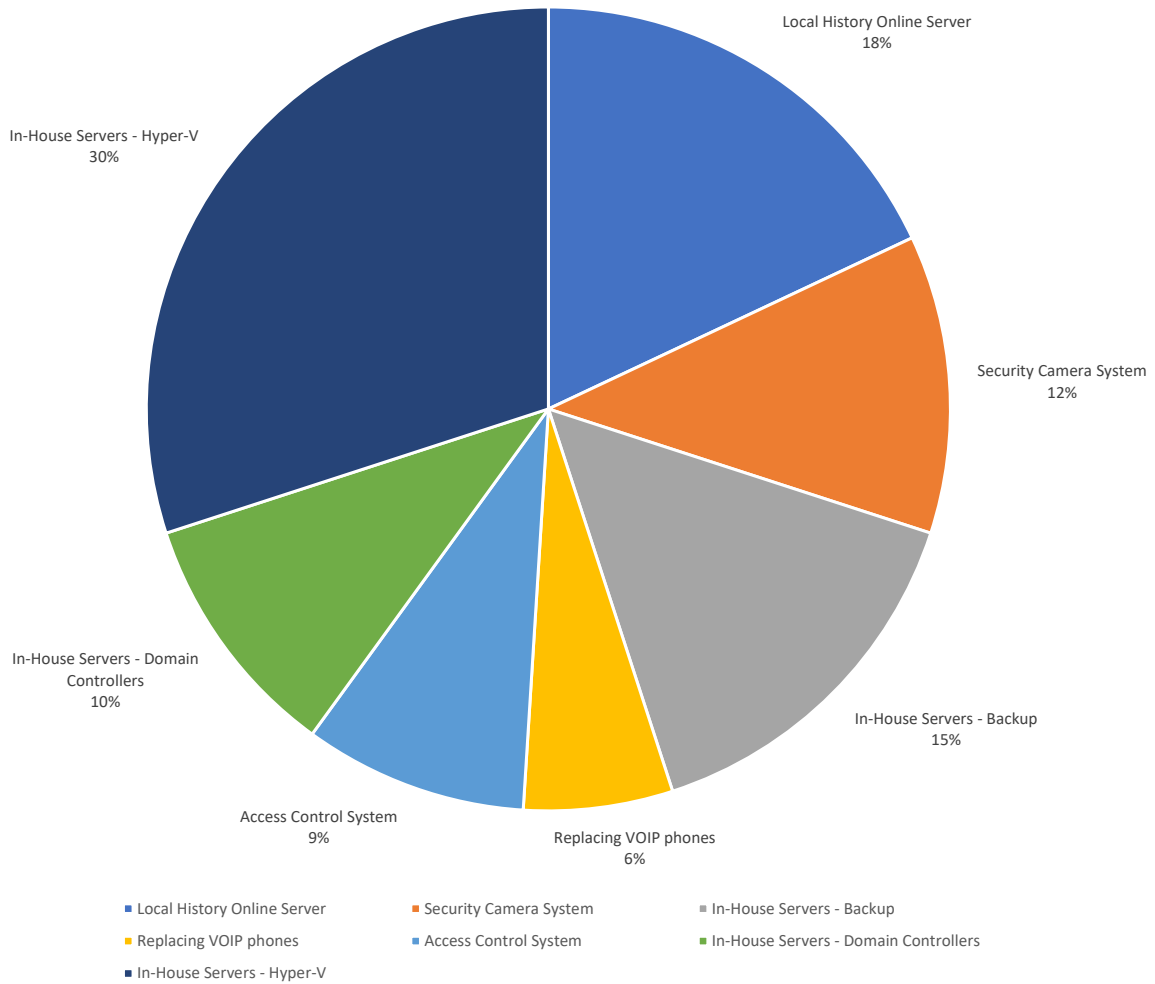
- The Urbana Free Library Foundation grant: \$54,277 (approved)
- City of Urbana Public Arts Grant: \$3,550 (pending)
- City of Urbana Youth Services Program: \$27,069 (pending)
- City of Urbana Above-the-Baseline budget request: \$300,000 for paint and carpeting (pending)
- Illinois DCEO grant: \$50,000 (included in budget as a carry-over from prior years, will apply in FY25)
- ISHRAB grant: \$5,000 (pending)
- City of Urbana ARPA grant: \$60,988 (approved through end of calendar year 2026 or until allocation runs out)

**IT long-term planning**

Equipment	Next Replacement FY	Estimated Cost	Estimated Life Cycle (years)	Annual Cost
Local History Online Server	2030	\$ 18,000.00	6	\$ 3,000.00
Security Camera System	2024	\$ 20,000.00	10	\$ 2,000.00
In-House Servers - Backup	2030	\$ 15,000.00	6	\$ 2,500.00
Replacing VOIP phones	2024	\$ 10,000.00	10	\$ 1,000.00
Access Control System	2025	\$ 15,000.00	10	\$ 1,500.00
In-House Servers - Domain Controllers	2029	\$ 10,000.00	6	\$ 1,666.67
In-House Servers - Hyper-V	2029	\$ 30,000.00	6	\$ 5,000.00

**Total Annualized Expenses to be saved**                   \$ 16,666.67  
**Annual Fixed Savings into 803**                                 \$ 26,000.00

Percentage of Annual Deposits



Assuming 3% increase for Fixed saving and expenses (Need to check current balance of fund)

Year	Fiscal Year	Fixed Savings	Inflation Rate	Annualized Expenses	Deductions	Line Item	Fixed Savings Balance
0	2023	\$ 26,000.00	3%	\$ 16,666.67	\$ 13,000.00	Bulk Computer	\$ 13,000.00
1	2024	\$ 26,000.00	3%	\$ 17,166.67	\$ 64,890.00	LHO + Backup + Security Cameras + VOIP Devices	\$ (25,890.00)
2	2025	\$ 26,000.00	3%	\$ 17,666.67	\$ 15,900.00	Access Control System	\$ (15,790.00)
3	2026	\$ 26,000.00	3%	\$ 18,166.67			\$ 10,210.00
4	2027	\$ 26,000.00	3%	\$ 18,666.67			\$ 36,210.00
5	2028	\$ 26,000.00	3%	\$ 19,166.67			\$ 62,210.00
6	2029	\$ 26,000.00	3%	\$ 19,666.67	\$ 47,200.00	Hyper-V + Domain Controllers	\$ 41,010.00
7	2030	\$ 26,000.00	3%	\$ 20,166.67	\$ 39,930.00	LHO + Backup	\$ 27,080.00
8	2031	\$ 26,000.00	3%	\$ 20,666.67			\$ 53,080.00
9	2032	\$ 26,000.00	3%	\$ 21,166.67			\$ 79,080.00
10	2033	\$ 26,000.00	3%	\$ 21,666.67			\$ 105,080.00
11	2034	\$ 26,000.00	3%	\$ 22,166.67	\$ 39,900.00	Security Cameras + VOIP Devices	\$ 91,180.00
12	2035	\$ 26,000.00	3%	\$ 22,666.67	\$ 74,800.00	Hyper-V + Domain Controllers + Access Control System	\$ 42,380.00
13	2036	\$ 26,000.00	3%	\$ 23,166.67	\$ 66,720.00	LHO + Backup	\$ 1,660.00
14	2037	\$ 26,000.00	3%	\$ 23,666.67			\$ 27,660.00
15	2038	\$ 26,000.00	3%	\$ 24,166.67			\$ 53,660.00
16	2039	\$ 26,000.00	3%	\$ 24,666.67			\$ 79,660.00
17	2040	\$ 26,000.00	3%	\$ 25,166.67			\$ 105,660.00
18	2041	\$ 26,000.00	3%	\$ 25,666.67	\$ 61,600.00	Hyper-V + Domain Controllers	\$ 70,060.00
19	2042	\$ 26,000.00	3%	\$ 26,166.67	\$ 51,810.00	LHO + Backup	\$ 44,250.00
20	2043	\$ 26,000.00	3%	\$ 26,666.67			\$ 70,250.00
21	2044	\$ 26,000.00	3%	\$ 27,166.67	\$ 48,900.00	Security Cameras + VOIP Devices	\$ 47,350.00
22	2045	\$ 26,000.00	3%	\$ 27,666.67	\$ 24,900.00	Access Control System	\$ 48,450.00
23	2046	\$ 26,000.00	3%	\$ 28,166.67			\$ 74,450.00
24	2047	\$ 26,000.00	3%	\$ 28,666.67	\$ 68,800.00	Hyper-V + Domain Controllers	\$ 31,650.00
25	2048	\$ 26,000.00	3%	\$ 29,166.67	\$ 57,750.00	LHO + Backup	\$ (100.00)
26	2049	\$ 26,000.00	3%	\$ 29,666.67			\$ 25,900.00
27	2050	\$ 26,000.00	3%	\$ 30,166.67			\$ 51,900.00
28	2051	\$ 26,000.00	3%	\$ 30,666.67			\$ 77,900.00
29	2052	\$ 26,000.00	3%	\$ 31,166.67			\$ 103,900.00
<b>Totals</b>		<b>\$ 780,000.00</b>		<b>\$ 717,500.00</b>	<b>\$ 676,100.00</b>		

Facilities planning						1	2	3	4	5	6	7	
Equipment	Replace in Fiscal Yr	Estimated Costs	Estimated Life Cycle (yrs)	Annual Cost	Notes	Estimates Provided by	FY23	FY24	FY25	FY26	FY27	FY28	FY29
Estimate			to be saved yearly			Estimated spending:	\$110,000	\$236,500	\$583,000	\$646,000	\$41,000	\$246,000	\$465,000
						including 2% yearly inflation	\$110,000	\$241,230	\$606,553	\$685,540	\$44,380	\$271,604	\$523,666
						saved or fund balance or grant or gift balance	\$178,000	\$208,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
							\$68,000	\$34,770	-\$446,783	-\$1,007,324	\$926,703	\$1,073,307	\$1,471,973
Staff Parking Lot & other building projects	2023	\$110,000	30	\$1,666	Completed June, 2023		\$110,000						
Split system-Server room	2024	\$16,500	20	\$825	Completed February, 2024			\$16,500					
Landscaping	2024	\$45,000	10	\$1,200	A landscape plan has been completed. An installation RFP is being compiled for installation in Spring 2024				\$40,000			\$12,000	
East AHU (Trane M-63)	2024	\$395,000	20	\$19,750	Installed 1974. Includes replacement of the condensing units. Being properly maintained and have contracted to replace. Once the unit has been delivered, removal of the old unit and installation of the new system will occur. Work will be done either in the Fall, 2024, Spring 2025 or Fall 2025, depending on delivery.	An RFP was advertised which included replacement of the East Air Handler, condensing units and also installation of a split system for the server room. The awarded Respondent had \$395,000 for the AHU replacement and \$16,500 for the split system.			\$395,000				
Welcome Desk Remodel	2025 ?		20		This remodeling project is in the design phase.								
Megan's Room updates	2025 ?				Painting already done.				\$36,000				
Carpet - Phase 1	2025	\$200,000	10	\$20,000	refer to Carpet Paint Master Plan for details			\$200,000					
Painting - Phase 1	2025	\$20,000	10	\$2,000				\$20,000					
Exterior Painting-Tepper	2026	\$10,000	25	\$400	If the Tepper building is to be kept long term, the building trim should be replaced with siding.					\$10,000			
Building Envelope	2026	\$65,000	50	\$1,300	tuck-pointing-may be able to do this in phases over several years	Estimate given during guaranteed energy savings plan process with the City				\$22,000	\$22,000	\$22,000	
Roof Library	2026	\$500,000	20	\$25,000						\$500,000			
Roof at Tepper	2026	\$12,000	20	\$600	To protect the Archives collection in Tepper (based on age of roof)	Roof evaluated March 2021 by three roofers. None said it needed replacement, just some repairs. The chimney is literally falling apart and will be remediated in FY21.-Done				\$12,000			\$10,000
Furnace and AC Tepper	2026	\$12,000	20	\$600	In good condition in 2017. May not be required pending Library expansion.	UFL 5-year financial plan				\$12,000			
Painting Phase 2	2026	\$7,000	10	\$700					\$7,000				
Carpet phase 2	2026	\$65,000	10	\$6,500					\$65,000				
Refresh of Teen Area	2027	\$5,000	20	\$250	Currently no plan for this area						\$5,000		
Painting Phase 3	2027	\$4,000	10	\$1,000		BOMA				\$40,000			
Carpet - Phase 3	2027	\$55,000	10	\$5,500	Low traffic zones	City of Urbana				\$50,000			
Exterior Painting-Library	2028	\$12,000	10	\$1,200	Research into window replacement should be done prior to painting windows				\$40,000			\$12,000	
Historic Window Improvements	2028	\$200,000	40	\$5,000	Plaster fixed. Assessment & renovation, followed by periodic evaluation. Is this necessary? The savings were said to be negligible in the GESP study but \$175,000 potential cost.	UFL 5-year financial plan						\$200,000	
Painting phase 4	2028	\$7,000	10	\$700	Offices						\$7,000		
Carpet - Phase 4	2028	\$7,000	10	\$700	Offices						\$7,000		
Paterson-Kelly Boiler	2029	\$50,000	20	\$2,500	This is a back-up and well maintained.	Davis & Houk							\$50,000
Lochinvar Boiler #1	2029	\$50,000	20	\$2,500	These boilers are primary heat source for the Library.								\$50,000
Lochinvar Boiler #2	2029	\$50,000	20	\$2,500	Replacement of the boilers could be staggered								\$50,000
DDC West Controls	2029	\$135,000	25	\$5,400	Full replacement with non-proprietary DDC system								\$135,000
East Pneumatic Controls	2029	\$170,000	25	\$6,800	Full replacement to match existing DDC system	Henneman Engineering							\$170,000
<b>Totals</b>		<b>\$2,202,500</b>		<b>\$114,591</b>			<b>\$110,000</b>	<b>\$236,500</b>	<b>\$583,000</b>	<b>\$646,000</b>	<b>\$41,000</b>	<b>\$246,000</b>	<b>\$110,000</b>